

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 L-03 FTC-01 AGR-05 /061 R

DRAFTED BY OPIC/F: TPARNELL

APPROVED BY EB/IFD /OIA: RJSMITH

EB/IFD/OIA:DSTEBBING

AF/C:DLCARDWELL

----- 010896

P 240124Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY KIGALI PRIORITY

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E.O. 11652:N/A

TAGS: EFIN

SUBJECT: TEA PROJECT

1. IFC INFORMED BY LONDON OFFICE OF CDC OF CALL FROM BIRARA INQUIRING WHETHER THEY COULD CONSIDER FINANCING THE CYOHOHO-RUKERI TEA PROJECT AND DESCRIBING WERTHEIM TERMS AS UNACCEPTABLE. OPIC, IFC AND WERTHEIM CONFUSED BY DEVELOPMENT IN LIGHT OF RECENT PROGRESS IN DEALING WITH OUTSTANDING ISSUES. WERTHEIM HAS RECEIVED LETTER FROM MINFIN AMENDING JOINT VENTURE AGREEMENT AS REQUESTED AND AGREEING TO PROHIBIT DISCRIMINATORY TAXES. THUS, ONLY OUTSTANDING ISSUES APPEAR TO BE: (1) OCIR/T OVERRUN COMMITMENT - OCIR/T HAS AGREED TO THE CONCEPT. DIFFICULTY REGARDING WORDING OF COMMITMENT SEEMS MINOR. (2) TRANS-FORMER FOR CONSTRUCTION SITE - APPARENTLY OCIR/T HAS LOCATED ADEQUATE TRANSFORMER. (3) OPIC TAX EXEMPTION - OPIC NEEDS LETTER FROM MINFIN CONFIRMING OPIC EXEMPTION

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FROM PAYMENT OF TAXES ON INTEREST AND PRINCIPAL PAYMENTS

AND REIMBURSEMENT OF EXPENSES. JOINT VENTURE AGREEMENT  
REQUIRES MINFIN TO CONFIRM THIS EXEMPTION. (4) WERTHEIM  
TAX CONCESSIONS- WERTHEIM NEEDS LETTER FROM MINFIN  
ASSURING BENEFITS UNDER INVESTMENT CODE, AND VARIOUS TAX  
CONCESSIONS, INCLUDING EXEMPTIONS FROM IMPORT TAXES, CON-  
TAINED IN JOINT VENTURE AGREEMENT. IN ADDITION WERTHEIM  
HAS REQUESTED MINFIN RULING ON QUESTION OF DOUBLE TAXATION  
APPLICATION OF INCOME TAXES TO CONTRACTOR, AND REGISTRA-  
TION TAX ON CAPITAL SUBSCRIPTION.

2. DO NOT WISH TO CAUSE UNDO ALARM AT THIS POINT AS  
INFORMATION IS SECOND HAND. HOWEVER, DEVELOPMENT, IF  
TRUE, SURPRISING AND DISTURBING AS REMAINING POINTS TO BE  
NEGOTIATED DO NOT SEEM SUBSTANTIVE. GRATEFUL EMBASSY  
ASSESS AND COMMENT. DECLASSIFY UPON RECEIPT. SISCO

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, TEA, PROGRAMS (PROJECTS), JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JAN 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE018020  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** TPARNELL  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760027-0628  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760124/aaaaavkz.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13 MAY 2004 by ShawDG>; APPROVED <13 MAY 2004 by morefirh>  
**Review Markings:**

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Declassified/Released  
US Department of State  
EO Systematic Review  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEA PROJECT  
**TAGS:** EFIN, RW, IFC, WERTHEIM  
**To:** KIGALI  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006